

Capital Programme 2011/12

- 1.1 A total of 27 bids were received of which 4 were deleted at appraisal stage. This leaves 23 bids for consideration and these are analysed according to consultation priority below:

Priority	No. of bids
1 Refuse collection & recycling, housing (needs, strategic & private sector), anti-social behaviour	6
2 Economic development & regeneration	2
3 Sports facilities, local, community & leisure development, safer communities, health promotion	2
4 Cleansing, local transport & concessionary fares, environmental protection, conservation & urban centres, arts, rural areas, car parking, estates	1
5 Building control & engineering, public protection, enforcement	0
6 Planning control, diversity & equality	0
7 Landscape, Banbury museum, tourism, licensing	0
Corporate Revenue & benefits, democratic services, chief executive office, member services, corporate charges, communications, treasury, improvement, community planning, elections, land charges	12
	23

- 1.2 The draft capital proposals to date for 2011/12 are shown in Appendix 2a these bids totalling £3,843,980. Each scheme is supported by an appraisal and these have been scored according to priority by the Capital Investment Delivery Group.
- 1.3 At least one third of the capital bids can be categorised as spend to save initiatives and generate positive revenue implications which if considered for inclusion in the final 2011/12 capital programme will contribute to the financial challenges ahead.
- 1.4 The new capital bids have been scrutinised by the Resources and Performance Scrutiny Board and their observations and recommendations were reported in January 2011.
- 1.5 The Capital Strategy for 2011/12 has a direct impact on the Treasury management revenue budget in terms of the opportunity cost of reduced cash balances from the use of capital receipts and reserves. Decisions on the future capital programme will need to take into account the overall priorities and affordability in revenue as well as capital terms.
- 1.6 The Council is one of over 100 local authorities that were affected by the collapse of Icelandic banking institutions. The Council currently has a total of £6.5 million in short term investments with one of the affected banks, Glitner. Although the Council remains confident of getting all of its investment back an application was made to capitalise the costs that, in 2010-11, have to be written off to the revenue account. The application matched the amount which the Council would otherwise have to write off and totalled £4.615m. Of the amount applied for 70% was granted by the Secretary of State and as a result

£3.230m can be charged back to capital reserves, which are in relatively plentiful supply. Capital reserves are estimated to be £37.5m at the 31 March 2011 and £23.5m at the 31 March 2012 after taking account of this write off and capital expenditure.

- 1.7 However, this is purely an accounting requirement and does not mean that the deposits are lost. The Council continues to work with Bevan Brittan and LGA to seek full recovery of the £6.5m invested. Should the deposits be repaid in full as priority creditor status then the accounting entries would be reversed.
- 1.8 The Executive has agreed that 21 capital schemes which were approved as part of the 2010/11 budget process but which work has been delayed until 2011/12 will also be delivered in 2011/12 and these together with additional slippage requests in the Q3 Finance Report (elsewhere on agenda) are detailed schedule in Appendix 2b.
- 1.9 A summary of the draft capital programme and recommended financing is summarised below:

	Total Scheme Cost	2011/12 Profile
Proposed programme (Appendix 2a)	£5,862,314	£3,843,980
Schemes approved and slipped from 2010/11 (Appendix 2b)	£9,084,000	£8,834,000
Schemes with prior approved but not profiled until 2011/12 (Appendix 2c)	£6,245,184	£1,245,184
Total Capital Programme to be Financed	£21,191,498	£13,923,164
<u>Financed by:</u>		
Capital Receipts	£15,414,448	£8,644,164
Government Grants		
<i>£375k per annum Governmental Grant Funding towards Mandatory Disabled Facilities Grants</i>	£375,000	£375,000
Use of Reserves		
<i>Wheeled Bins Reserve</i>	£15,000	£15,000
<i>Vehicle Replacement Programme</i>	£605,050	£207,000
<i>SW Bicester Sports Village Fund</i>	£1,500,000	£1,400,000
<i>Housing Reserves</i>	£3,282,000	£3,282,000
	£21,191,498	£13,923,164

Further Document Information

Appendix No	Title
Appendix 2a	New Capital Bid Proposals
Appendix 2b	Schedule of capital schemes slipped from 2010/11
Appendix 2c	Bids with prior approval but profiled for 11/12 onwards